

January 13, 2010

Senator Kathleen Vinehout, Co-Chair  
Joint Legislative Audit Committee  
State Capitol, Room 104 South  
Madison, WI 53702

Representative Peter Barca, Co-Chair  
Joint Legislative Audit Committee  
State Capitol, Room 107 North  
Madison, WI 53702



Dear Senator Vinehout and Representative Barca:

I am writing to request that the Legislative Audit Bureau conduct a program and financial audit of the Family care Program. I, along with many other legislators, as well as Family Care consumers and providers, have long-standing concerns about the accuracy of the long-term care cost savings predicted by implementing the Family Care program. I also have concerns that the managed care model that is the cornerstone of the Family Care program may be resulting in service cutbacks to vulnerable elderly and disabled persons.

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The Assembly Committee on Aging and Long Term Care, of which I am a member, held an informational hearing on Family Care on November 12, 2009. Much of the testimony of managed care organizations (MCOs), counties, and consumers validated many of my long-standing concerns. In this time of budget cuts in every state program, the Family Care program appears to be squeezed to the point that it is unable to accommodate the service needs of the enrollees.

Specifically, I would request that the audit focus on both the financial sustainability of Family Care, and the ability of the program to meet service needs of participants. Such an audit could examine the adequacy of funding through the capitated rates to MCOs to support service needs of Family Care enrollees, and the financial solvency of MCOs and the ability of MCOs to maintain required financial reserves, among other issues.

Thank you for considering this audit request. Please contact me if you have any questions or would like to discuss this request.

Sincerely,

**Kitty Rhoades**  
State Representative  
30<sup>th</sup> Assembly District

CC: Assembly Speaker Mike Sheridan  
Rep. Mark Pocan, Co-Chair - Joint Committee on Finance  
Rep. Peggy Krusick, Chair - Assembly Aging and Long Term Care Committee  
Members - Assembly Aging and Long Term Care Committee  
Janice Mueller, State Auditor - Legislative Audit Bureau